

**STATEMENT OF THE  
HON. JOHN J. DUNCAN, JR.**

**HEARING ON**

**“EPA Grants Management 2003 – 2006:  
Progress and Challenge”**

**May 18, 2006**

I would like to welcome everyone to our fourth hearing on EPA Grants Management. Today we are reviewing where EPA stands since this series of hearings began 3 years ago.

The history of troubling EPA grants runs well back into the early 1990's. There had been an ongoing cycle of poor performance, new critiques, promised reforms, and repeated poor performance.

It has been this Subcommittee's goal to ensure that improvements take place and become a permanent way of doing business at EPA.

Areas in need of reform included:

- greater competition in awarding grants;
- serious follow-through in managing grants to ensure that grantees actually spent grant dollars for the intended purposes;
- proper documentation of grant performance to make sure that future awards were based on reality and not just promises; and
- ensuring that EPA was awarding grants that were designed to improve the environment.

I am encouraged to see that significant progress has been made on a number of these initiatives. The EPA Office of Administration and Resources Management has worked non-stop developing new policies and guidelines, upgrading information technology programs, and providing agency-wide training.

Some of the EPA regions have embraced these changes. They realize that grants issued pursuant to the new guidelines will make sure that the American taxpayer gets a better value for the dollars spent.

Many can also see how important it is for actual environmental enhancement to become a consistent foundation of EPA grants.

The bad news is that some within EPA still resist changing the earlier practices which required less oversight and favored a select group of grantees. The reports before us today, from the Government Accountability Office and the EPA Inspector General, show there still is work to be done before the reforms are fully implemented on the ground.

Fundamental lapses that still exist within the system include a failure by managers and supervisors at EPA to make grant management a regular part of employees' annual performance reviews.

Holding employees accountable for doing their jobs properly is a key to the success of this program.

We understand that EPA has a new electronic system for project officers to track their grants. It structures their awards and reviews of grants to improve the quality of their management.

Unfortunately, the system is not being used by EPA managers to keep track of the number of grants that are not awarded or managed according to the new guidelines.

The EPA Office of Administration and Resources Management has also developed new training materials and procedures to make sure project officers are aware of how they are to carry out grants. There are even requirements to participate in the training.

However, GAO found that, in at least one case they reviewed, only about 25 out of 200 project officers in Region 1 attended a 90-minute course, even though it was offered 3 times.

For today's hearing, we have asked GAO and the EPA Inspector General to present the results of their studies, and for the two EPA administrators to discuss how far we have come and what must still be done to make EPA grants efficient and environmentally effective.

I hope our witnesses will bring forward ideas on how we can change the grant culture within EPA and ensure effective implementation of the reforms.

My objective in holding these hearings is to make sure that American taxpayers are getting their money's worth in the EPA grants programs. At the same time grants should be designed to produce an environmental benefit.